

Kansas City, Missouri
Police Department Fees and Service Charges

November 2001

City Auditor's Office
City of Kansas City, Missouri

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Members of the Board of Police Commissioners and Members of the City Council:

This performance audit of the Kansas City, Missouri Police Department's fees and service charges was initiated by the city auditor pursuant to Chapter 84, Section 350 of the Revised Statutes of Missouri. The performance audit focuses on methods to strengthen oversight of fee and service charges assessed by the Police Department.

The Police Department collected over \$3.6 million in fee revenue from 19 services during fiscal year 2001. The department does not maintain cost information for specific fee-based services, and thus does not know how much it actually costs to provide these services. Management could not describe the basis for current fee levels. The lack of cost information prevents management from knowing whether the fees it charges are appropriate or cover an adequate portion of the cost. Missouri law limits the amount that can be charged for some services; the absence of cost information increases the risk that the Police Department could be charging more than is allowed. New accounting standards call for governments to report the revenues and costs of fee-based services. We recommend that, prior to establishing or adjusting fees, the Police Department identify the actual cost of providing the service. By establishing fees based on a comparison of projected costs and revenues, the department would ensure that fees recover an appropriate level of costs.

The Police Department does not have a fee policy. Authority to set fees is fragmented, and once set, fees are not periodically reviewed. We recommend that the board develop a policy that includes periodic review of fee revenue, fee recovery goals, identification of costs, and an open process for fee review. In addition, we recommend that the board consider implementing new fees for services currently provided to specific groups without charge.

The draft report was sent to chief of police on September 28, 2001 for review and comment. His response is included as an appendix. We appreciate the courtesy and cooperation extended to us during this project by the staff in the Police Department. The audit team for this project was Joyce Patton, Sue Polys, and Nancy Hunt.

Mark Funkhouser
City Auditor

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Introduction

Objectives

This audit of police fees was conducted under the authority of Chapter 84, Section 350, Revised Statutes of Missouri, which authorizes the city auditor to audit the Police Department. This section also provides that the city auditor determine what areas of the Police Department would most benefit from performance auditing and notify the Board of Police Commissioners.

The state statute also requires that the city auditor schedule audits in conjunction with the Board of Police Commissioners “as to not disrupt or interfere with the conduct of police business, the public’s safety or the normal course of said auditors’ duties or responsibilities for such city.” We discussed this audit with the board and subsequently initiated it in accordance with these provisions.

A performance audit is an objective, systematic examination of evidence to independently assess the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision-making.¹ This audit was designed to answer the following questions:

- What fees and service charges are currently assessed by the Police Department?
- How does the department determine service costs and fees?
- How can the Board of Police Commissioners strengthen its oversight of fees and charges?

Scope and Methodology

This audit was conducted in accordance with government auditing standards. Audit methods included the following:

- Interviewing and surveying Police Department staff on fees assessed, cost information, and fee-setting methods.

¹ Comptroller General of the United States, *Government Auditing Standards* (Washington, D.C.: U.S. Government Printing Office, 1994), p. 14.

- Reviewing accounting and cash count documentation for selected fees.
- Interviewing members of the Board of Police Commissioners about potential fees and the information they receive on fees.
- Interviewing authorities and reviewing professional literature on police fees.
- Reviewing the City Auditor's Office 1996 preliminary review of the police department, 1998 special report and 2000 follow-up of city fees and service charges, and the 2001 State Auditor's report on the Sunshine Law.²

We did not include payments collected by municipal court for police education, arrest processing, or peace officer standards training as police fees for the purposes of this report.

No information was omitted from this report because it was deemed privileged or confidential.

Background

User Fees Defined

The Government Finance Officers Association (GFOA) defines user fees and charges as “payments for voluntarily purchased, publicly provided services that benefit specific individuals, and exhibit public-good characteristics.”³ The GFOA identified three conditions that help distinguish user charges and fees:

- There must be an identifiable set of individuals or firms, not the whole community, that directly benefits from provision of the good;

² *Preliminary Review Kansas City, Missouri Police Department*, Office of the City Auditor, City of Kansas City, Missouri, June 1996; *Fees and Service Charges: A Comprehensive System is Needed*, Office of the City Auditor, City of Kansas City, Missouri, February, 1998; *Fees and Service Charges Follow-up*, Office of the City Auditor, City of Kansas City, Missouri, September 2000; and *Compliance with Sunshine Law Requirements, State Agencies, Boards and Commissions*, Office of State Auditor, State of Missouri, April 2001.

³ Dennis Strachota and Bruce Engelbrekt, *Catalog of Public Fees and Charges*, (Chicago, Illinois: Government Finance Officers Association, 1992), p. vii.

- It must be possible to exclude individuals from consuming the good if they do not pay; and
- Individuals must have the right to choose whether to consume the good.⁴

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. The statement establishes new financial reporting requirements, including expanded reporting of revenues and costs for fee-based activities. GASB expands on GFOA’s definition, identifying exchange transactions and revenues from fines and forfeitures as charges for service. GASB states that:

Charges for services include revenues based on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Revenues in this category include fees charged for specific services, such as water use or garbage collection; licenses and permits, such as dog licenses, liquor licenses, or building permits; operating special assessments, such as for street cleaning or special street lighting; and any other amounts charged to service recipients. Payments from other governments that are exchange transactions – for example, when County A reimburses County B for boarding County A’s prisoners - also should be reported as charges for services.⁵

GASB states that because fines and forfeitures are generated by the program, they are more like charges for services than grants and contributions, therefore, they should also be classified in the charges for services category.⁶

⁴ C. Kurt Zorn, *Local Government Finance: Concepts and Practices*, (Chicago, Illinois: Government Finance Officers Association, 1991), p. 143.

⁵ *Guide to Implementation of GASB Statement 34 on Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, (Norwalk, Connecticut: Governmental Accounting Standards Board, 2000), p. 80.

⁶ *Guide to Implementation of GASB Statement 34 on Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, p. 27.

ICMA Endorses User Fees

The International City/County Management Association (ICMA) endorses the idea of user fees as a revenue source for local governments, stating that “charges and fees are economically efficient ways for local governments to finance private and merit services that benefit individuals.”⁷

Service charges promote revenue stability by diversifying a local government’s revenue sources, reaching beneficiaries of local services, and by reducing the need to expand local government staff and facilities to levels beyond citizens’ preferences and needs. Service charges promote economic efficiency by limiting the use of public services to those who value them the most. Moreover, services provided on a fee basis are less likely to be wastefully used than are services financed through general tax revenues.⁸

Fees and Service Charges Are a Citywide Concern

Our 1998 special report *Fees and Service Charges* and our 2000 follow-up report examined the city’s fees and service charges. Our 1996 *Preliminary Review of the Kansas City, Missouri Police Department* identified the adequacy of the department’s fees and its policies on cost allocation and recovery as a priority audit topic. The results of these examinations were similar for city departments and the Police Department. Neither entity had established a fee policy, or periodically reviewed or adjusted fees. In addition, fees for services provided by city departments and the Police Department did not always cover costs, and service cost information was not always available.

Identification of Fees

Using a survey instrument distributed to the Police Department in April 2001, we attempted to identify all potential Police Department fees. The completed surveys and supporting documentation, our discussions with police personnel, and our review of Police Department budgets identified the fees currently authorized and collected by the Kansas City Missouri Police Department. (See Appendix A for a detailed listing of fees.)

⁷ Robert L. Bland, *A Revenue Guide For Local Government*, (Washington, D.C.: International City/County Management Association, 1989), p. 111.

⁸ *A Revenue Guide For Local Government*, p. 19.

Authorizations and Limitations on Police Fees

Chapter 84 of the Missouri Revised Statutes establishes the Kansas City Board of Police Commissioners. The duties and responsibilities of the board include enforcing all laws and ordinances and exercising other powers to further the efficient and economical operation of the Police Department.

State statutes, city ordinances, and the Board of Police Commissioners have authorized fee-based services currently collected by the Kansas City, Missouri Police Department. The rates charged for fee-based services have been established by the board, the chief of police acting on behalf and with authority delegated by the board, the City Council, and state statutes, and by following the Code of State Regulations.

State laws and city ordinances can place restrictions on the levels of some Police Department fees. The Missouri Sunshine Law limits fees charged for public records to the actual cost incurred in providing the materials. The Hancock Amendment can require voter approval of increases in rates charged for services when a “fee” is determined to be a tax.⁹ Provisions in state statutes and city code direct that certain services be provided to some groups without charge.

⁹ The Missouri Supreme Court has held that the phrase “taxes, licenses or fees” used in Article X, Section 22(a) of the Missouri Constitution may mean just “taxes.” The court established a five-part test to examine a license or a fee to determine whether it was really a tax or a license of fee. Establishing or increasing a tax would require voter approval while a license or fee would not.

Kansas City, Missouri Police Department Fees and Service Charges

Findings and Recommendations

Summary

The Kansas City, Missouri Police Department collected over \$3.6 million in revenue from 19 fee-based services during fiscal year 2001. These services range from report reproduction to motorcycle school. Fee revenue has declined by 10 percent since fiscal year 1998, primarily as a result of a lawsuit that temporarily prevented the department from charging for private officer licensing.

The department does not develop and maintain cost information for fee-based services. As a result, management cannot determine whether the fees it charges are appropriate or cover an adequate portion of the cost. Missouri law limits the amount that can be charged for some services; the absence of cost information increases the risk that some Police Department fees could exceed the actual costs incurred. New accounting standards require governments to report the revenues and costs of fee-based services. We recommend that, prior to establishing or adjusting fees, the Police Department identify the actual cost of providing the service. By establishing fees based on a comparison of projected costs and revenues, the department would ensure that fees recover an appropriate level of costs.

The Police Department does not have a fee policy. Authority to set fees is fragmented, and once set, fees are not periodically reviewed. We recommend that the board develop a fee policy including a periodic review of fee revenue and consider implementing new fees for services currently provided without charge.

Fees Generated Over \$3.6 Million in 2001

In fiscal year 2001, the Police Department collected 19 different fees totaling over \$3.6 million. The largest source of fee revenue came from fees collected from users of the Police Department's Automated Law Enforcement Response Team (ALERT) computer information system.¹⁰ (See Exhibit 1.)

¹⁰ ALERT is a computer information system that provides information on warrants, outstanding pick-ups, parole status, and arrests to other law enforcement and private security agencies for a fee.

Kansas City, Missouri Police Department Fees and Service Charges

Exhibit 1: Police Fee Revenue, Fiscal Years 1998-2001

Fee Type	1998	1999	2000	2001
Alarm Permit	\$ 369,304	\$ 384,575	\$ 380,558	\$ 345,887
ALERT (Law Enforcement)	2,419,224	2,437,692	2,294,937	2,274,770
ALERT (Private Security)	201,401	220,328	244,845	250,345
Crime Summary	8,925	44,300	8,415	14,880
Fingerprint Services	6,606	9,426	9,360	11,625
Lab – Crime Lab Quarterly Newsletter	N/A	N/A	N/A	300
Lab Fees (Law Enforcement Agencies Inside Missouri) and Lab Crime Scene Photos ¹¹	86,676	76,930	73,757	76,821
Lab Fees (Law Enforcement Agencies Outside Missouri and Private Agencies)	0	9,602	39,740	63,465
Lab – Crime Scene School	0	6,900	11,500	15,550
Motorcycle School	2,000	600	1,400	0
Pawn Shop Investigation	0	750	1,000	250
Private Officer Licensing	513,606	448,306	114,086	196,452
Record Check	167,591	150,615	136,845	138,865
Report Reproduction	244,772	240,369	227,954	218,665
Seminar	4,550	1,125	14,215	8,637
Training Academy	31,384	49,915	34,489	30,200
Videotape Line-Up	200	25	100	200
Weekly Ticket Summary	N/A	N/A	N/A	4,000
Total Annual Fee Revenue	\$4,056,239	\$4,081,458	\$3,593,201	\$3,650,912

Sources: Kansas City, Missouri Police Department Budgets 2000, 2001, 2002 and Police Department Surveys.

Fee Revenue Has Declined

Fee revenue declined 10 percent between fiscal years 1998 and 2001. Almost half of the fee categories experienced revenue declines during this four-year period, including five of the six largest fee revenue categories. ALERT fees from law enforcement agencies and private officer licensing fees represented the largest dollar declines in fee revenues between fiscal years 1998 to 2001. (See Exhibit 2.)

¹¹ Revenue figures for lab fees for law enforcement agencies inside Missouri and lab crime scene photos are recorded in the same account. Separate revenue figures were only available for fiscal year 2001. As a result only combined fee figures are reported. In 2001, crime scene photos generated \$14,311 and lab fees for agencies inside Missouri generated \$62,510 in fee revenues.

Exhibit 2: Fees with Large Revenue Declines, Fiscal Years 1998-2001

Fees	1998 Revenue	2001 Revenue	Revenue Decline 1998 to 2001	Percent Change
Private Officer Licensing	\$513,606	\$196,452	(\$317,154)	(62%)
Record Checks	167,591	138,865	(28,726)	(17%)
Report Reproduction	244,772	218,665	(26,107)	(11%)
Alarm Permit	369,304	345,887	(23,417)	(6%)
ALERT (Law Enforcement)	2,419,224	2,274,770	(144,454)	(6%)
Total Selected Fees	\$3,714,497	\$3,174,639	(\$539,858)	(15%)
Total All Fees	\$4,056,239	\$3,650,912	(\$405,327)	(10%)

Sources: Kansas City, Missouri Police Department Budgets 2000, 2001, 2002, and Police Department Surveys.

Private officer licensing represents the largest decline. Between 1998 and 2001, fees collected for private officer licensing declined by more than 60 percent. The Police Department stopped collecting private officer licensing fees on January 11, 2000, pending the resolution of a lawsuit. The court prohibited the Board of Police Commissioners from collecting license fees until the board promulgated a license fee that complied with state statutes and regulations. Since then, the Board adopted a fee structure in accordance with the state's rule making requirements. On December 4, 2000, the department resumed the collection of private officer licensing fees. As a result, revenues generated by these fees should rebound.

ALERT fees revenues decline as customers leave the system and charges are eliminated. The costs associated with using ALERT have caused some law enforcement agencies to find alternative sources of information, including sharing information with other jurisdictions outside of the ALERT system and utilizing free access to the National Crime Information Center (NCIC) and Missouri Uniform Law Enforcement System (MULES). Losing subscribers not only causes fee revenues to decline but, more importantly, the information that the former subscribers provided to the system is lost. In an effort to maintain the current customer base, the department has eliminated ALERT interface fees. Unlike the decline in private officer licensing fee revenues, the decline in ALERT revenue from law enforcement agencies may continue.

Costs of Fee-Based Services Are Not Known

The Kansas City, Missouri Police Department does not develop cost information for fee-based services. Without knowing how much it costs to provide a service, the department cannot determine that the fee

charged is appropriate or know how much of the cost is covered by the fee.

New accounting standards require governments to report the revenues and costs of their fee-based services, and recommend the separate recording of these amounts for each function. In addition, the state Sunshine Law limits the fees charged for some services. The lack of cost information increases the risk that the department could be charging more for fee-based services than allowed.

Cost Not Considered in Setting Fees

The Police Department does not maintain cost information that supports the pricing structure for fee-based services. Prior to the current fees being established, department accounting staff were not consulted on the actual costs of the services provided. Police Department management could not describe the basis for most of the current fees.

The Police Department needs to know what it costs to provide services. Economic theory suggests that the most efficient use of resources is achieved if the price of a service is set at a level that is related to the cost of providing the service. The board may choose not to recover all fee-based service costs, but the Police Department should identify the extent to which fees cover costs and explain why the full costs are not recovered. In order to make informed decisions regarding what fee-based services to provide and what fees to charge for these service, the chief of police should determine and report the cost of individual fee-based services.

New Accounting Standards Require Costs and Revenues to Be Reported

New accounting standards require governments to report the revenues and costs of their fee-based services. The standards also recommend that cost and revenues for each function be recorded separately.

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. The Police Department must implement this statement beginning May 1, 2002. One of the statement’s purposes is to show the resources generated and used for each activity. Revenue and cost should be recorded separately for fee-based services in order to accurately report the extent to which each function of government is self-financed through fees.

Compliance with the State Sunshine Law Requires Cost Information

Missouri's Sunshine Law restricts fees that public governmental bodies may charge for certain services. The law limits the fee amount to the actual cost of searching for and duplicating public records. Fees for record checks, report reproduction, crime scene photos, crime summaries, and weekly ticket summaries are subject to Sunshine Law restrictions.

The statute also requires public governmental bodies, upon request to certify in writing that the actual cost for document search and duplication is fair, reasonable and does not exceed the actual costs incurred. Without having calculated the cost of providing fee-based services, the department cannot produce this certification and increases the risk of charging a fee higher than the actual cost. Cost information would enable the police to establish fee amounts in compliance with the Sunshine Law and provide the public with information on how the department determined these costs.

Comprehensive Fee Policy Would Strengthen Board Oversight

The Police Department has not established a comprehensive fee policy. Fee authorization is fragmented, and documentation authorizing a third of the fees charged was not available. Once set, fee levels are not systematically reviewed or adjusted. By establishing a fee policy, the board would strengthen its oversight over the fees charged to support police services.

Board Oversight Needs to Be Strengthened

Current fee levels have been set by the Board of Police Commissioners, the chief of police, or enacted through legislation. Approval to charge the fee was undocumented for 6 of the 19 fees charged. (See Exhibit 3.)

Exhibit 3: Entity Setting Police Fees

Entity	Number of Fees
Police Board	3
Police Chief	9
Legislation	1
Unknown	6
Total	19

Source: Kansas City, MO Police Department

Fees are not periodically reviewed. The Police Department does not conduct a periodic or systematic review of fees. By reviewing fee costs and revenues on a regular basis, governments can adjust fees to recover the desired level of service costs. Since 1997, one new fee was established, four fees were adjusted, and ten remained unchanged. Four fees lack documentation of when they were established or last changed. (See Appendix A for the year that fees were last set or changed.)

The Board does not conduct comprehensive fee reviews. There is no regular board agenda item that requires commissioners to review fees. The Board of Police Commissioners indicated that they review fees when problems or issues are brought to their attention. The commissioners were informed, for example, when revenue from ALERT fees declined, but were unaware of other fee revenue declines, such as for record checks and report reproduction. The board was also informed when the media complained about the level of report reproduction fees.

Commissioners are provided with fee schedules and fee revenue information. The board receives revenue information on a monthly basis. Board members may reference the police budget for fee revenue information, including prior year revenue. Commissioners said that management provides additional information as requested.

Invalid increases in private officer licensing fees could cost the department \$1.9 million. The Missouri Court of Appeals found that the Board of Police Commissioners improperly adopted the Private Security License fees in 1988 and 1997 by not following the statutory prerequisites for the adoption of agency rules.¹² The Police Department has deposited over \$1.9 million with the circuit court to cover potential court costs, the cost of administering the refunds, and the refund of fees.

Fee Policy Should Be Adopted and Implemented

In order to strengthen its oversight over fees charged by the Police Department, the Board of Police Commissioners needs to develop a comprehensive fee policy. This policy should provide a formal process for setting and reviewing fees. Cost recovery goals for different classifications of fee-based services should be established and cost and revenue information developed, reviewed, and evaluated to determine the costs recovered from fees collected. Reviews should provide for open discussion of fees and allow for the timely adjustment or establishment of fee levels.

¹² Mo. Rev. Stat. § 536.021.

Best practices include a formal fee policy. The GFOA's *Recommended Practices for State and Local Governments* recommends that governments develop a formal policy for fees. According to the GFOA:

A formal policy regarding charges and fees should be adopted. The policy should identify what factors are to be taken into account when pricing goods and services. The policy should state whether the jurisdiction intends to recover the full cost of providing goods and services. It also should set forth under what circumstances the jurisdiction might set a charge or fee at more or less than 100 percent of full cost. If the full cost of a good or service is not recovered, then an explanation of the government's rationale for this deviation should be provided. Some considerations that might influence governmental pricing practices are the need to regulate demand, the desire to subsidize a certain product, administrative concerns such as the cost of collection, and the promotion of other goals.¹³

Phoenix model has been successful. Phoenix, Arizona developed a process for establishing, monitoring, and reviewing fees that has been used successfully for more than ten years. Our 1998 report on the city's fee process developed a comprehensive fee-review process for the city based on the Phoenix model. The recommended 1998 process includes steps to identify activities that should be provided for a fee; to establish the portion of costs that individual fees should recover; to determine the cost of providing each service and the revenue generated by each service fee; to compare costs recovered to fee revenues, and to cost recovery goals; and to adjust fees and cost recovery goals.

Establish a fee review process. The Board of Police Commissioners should establish a fee policy that includes a process for setting and reviewing fees. As part of the policy, the board should determine the amount of identified costs current and future fees should recover for different classifications of fees (cost recovery goals). Some fees may be expected to fully cover the costs of providing the service, while others may provide only a portion of their costs. Partial coverage may be appropriate in cases where the service provides an intangible benefit that goes beyond the user to include at least some non-users.

Develop a method for identifying individual fee costs and revenues. The police chief should establish a methodology for determining the costs associated with providing fee-based services. Utilizing the

¹³ "Setting of Government Charges and Fees (1996)," *Recommended Practices for State and Local Governments*, (Chicago, Illinois: Government Finance Officers Association, 2001), p. 77.

department's existing financial management systems, cost and revenue information should be used to determine the proportion of service costs that are recovered from the revenues collected.

Institute a formal review process to evaluate and adjust fees. The Police Department should establish a process for routinely reviewing fees to determine whether they are meeting established cost recovery goals. The department should project cost recovery rates for their user fees, based on cost and revenue information previously developed. The department would then compare the results with recovery rates set by the board and propose cost reductions or revenue increases to more closely match the recovery rates established by the board. The Police Department's fee policy should reflect the city's fee review requirements as established in Resolution 010898. Fees generating \$100,000 in yearly revenues should be reviewed annually. Fees generating less than \$100,000 per year should be reviewed on the schedule used by the city, which is currently at least once every four years. Periodic reviews should provide for evaluating and adjusting fees in response to changing conditions and factors.

Formal fee review should be an open process. The department's policy and information about fee costs and revenues, and proposed changes should involve the board and be available to the public. Information developed for the review process should include calculated cost recovery rates and cost information for fee-based activities.

Once a comprehensive system is in place and the department begins to develop and utilize information on the revenue and cost of providing selected police services at a fee, the department can begin improving the extent to which selected services are funded through this efficient, equitable revenue source.

New Fees Should Be Considered

As part of its fee review process, the Board of Police Commissioners should consider implementing new fees for service. The Police Department charges fees for many of the law enforcement fee categories identified in literature and suggested by experts. Some additional opportunities for fee-based police services, however, warrant consideration. These potential fee opportunities meet the criteria for appropriate fee-based services developed by the GFOA: they serve an identifiable set of individuals or firms, rather than the whole community, and individuals can choose whether to consume the good or be excluded from consuming the service if they do not pay.

Bank alarms linked directly to police dispatch. One security company has approximately 39 active banks directly connected to police communications center. Although the security company charges its customers for the service, the police do not charge the company or banks for monitoring these alarms.

Traffic control at special events. The Kansas City Police Department traffic unit directs traffic in and out of concerts, performances, and professional sporting events without charge. The organizers of these special events benefit from this service because their customers are able to travel more rapidly in and out of event parking. This police service, however, may limit the number of traffic officers available in other parts of the city. For example, an average of 32 officers are assigned for an entire 8-hour shift to provide traffic control for Kansas City Chiefs football games.

Licensing alarm company employees. Licensing alarm companies and their personnel could reduce the risk that disreputable companies and employees could use information on customers' alarm systems for criminal activities. Although the current alarm ordinance authorizes licensing of alarm company employees, the Police Department has not performed the actual licensing. A fee for this service would require a change in the current ordinance authorizing the licensing, but would generate revenue to cover the cost of performing this activity.

Recruiting off-duty officers. The Police Department coordinates off-duty job listings. Off-duty officers provide additional security for businesses, sports events, and special events. The off-duty officers are paid directly by the company or organization rather than through the Police Department. Providing this employment service allows the Police Department some control over officers' off-duty jobs and the officers to obtain additional income, while providing employers with professional personnel. A nominal fee could be charged to employers that recruit off-duty officers through the department to cover the cost of administering this service.

The Board of Police Commissioners should consider establishing new fees for services that meet the GFOA's criteria for fee-based services.

Recommendations

1. The chief of police should determine and report the cost of providing individual fee-based services on an annual basis.
2. The chief of police should propose for Board of Police Commissioners consideration a fee policy that includes a process for setting and reviewing fees on a basis consistent with city policy.
3. The chief of police should propose for Board of Police Commissioners consideration new fees for services that meet the GFOA's criteria for fee-based service.

Appendix A

Police Department Fees and Service Charges

Kansas City, Missouri Police Department Fees and Service Charges

Fee	Fee Set By	Year Fee Set or Changed	Fee Amount
Alarm Permit	Board of Police Commissioners	1997	Initial permit \$25. Annual renewal based on number of prior year false alarms.
ALERT Law Enforcement	Chief of Police	1994 - Reviewed with no adjustment 2001 - Interface charges dropped	Chargeable transaction - .0682827 per transaction
			Telephone installation charges - \$350 to \$450
			Telephone line charges - \$335.52 per quarter per drop
			Administrative costs - 7.5% of total bill
			Batch report - costs vary
			Alarm system data base - \$.50 per incident
			Automated timekeeping system - .0682827 per transaction or \$10 per employee per year
			Employee data base - \$3 per employee per year
			Dispatcher notice information system - \$25 per year
ALERT Private Security	Chief of Police	1993	Initial hook-up - \$250 one time charge – mandatory
			Equipment installation - \$32/hr with 4 hour minimum - optional
			Formalized training session - \$200 – mandatory
			Monthly subscription charge - \$50 (includes up to \$50 in transactions) - mandatory
			Dial up access charge - \$40 per hour
			ALERT dedicated line charge – phone installation and monthly phone line cost
			Local hot file inquiry - \$.25 per transaction (wants and warrants on a known license or individual)
			Local records check - \$1 per transaction (conviction information for a specific individual)
			Driver history - \$2 per transaction (MO traffic convictions)
Crime Summary	Unknown	Unknown	Vehicle/license registration \$2 per transaction - (MO owner registration)
Crime Summary	Unknown	Unknown	\$300 initial year, \$40 each additional year
Fingerprint Services	Board of Police Commissioners	1991	\$6 per fingerprint card
Lab – Crime Lab Quarterly Newsletter	Unknown	2001 - No supporting documentation provided	\$15 per newsletter or \$50 annually

Kansas City, Missouri Police Department Fees and Service Charges

Lab Fees (MO law enforcement agencies)	Chief of Police	1993	\$36/hr, \$80/hr DNA processing
			Customized photofinishing - \$36/hr
			Specialized photography - \$36/hr
			Crime scene photography - \$36/hr
			Miscellaneous photography - \$36/hr
			8x10 machine print (color or B/W) - \$2.20
			8x10 photofinish print (color or B/W) - \$7
			Contact print (color or B/W) - \$4.50 each
			Roll film (color or B/W) - \$2 each
			Mug shot (color or B/W) - \$.50 each
			3.5 x 5 print (color or B/W) - \$.50 each
			5x7 print (color or B/W) - \$1.75 each
			11x14 print (color or B/W) - \$10 each
			16x20 print (color or B/W) - \$17 each
			Mug shot film (color or B/W) - \$.20 each
			Sheet film (color or B/W) - \$2 each
Lab Fees (Law Enforcement Agencies outside MO & Private Companies)	Chief of Police	1993	\$54/hr, \$120/hr DNA processing
Lab - Crime Scene Photos	Unknown	Unknown	Color contact sheet - \$10 each
			8x10 color print - \$10 each
			11x14 color print - \$20 each
			16x20 color print - \$25 each
			B/W contact sheet - \$7 each
			8x10 B/W print - \$7 each
			11x14 B/W print - \$14 each
			16x20 B/W print - \$20 each
			Polaroids - \$3 each
			CD disc for law enforcement agencies - \$5
			CD disc for outside agencies - \$20
Lab - Crime Scene School	Unknown	2001	\$650 MO agencies, \$850 other agencies
Motorcycle School	Chief of Police	1993 – No supporting documentation provided	\$200/trainee
Pawn Shop Investigation	MO State Statute & City Ordinance	1991	\$500 for initial investigation, \$250 per investigation for additional locations opened with the same or substantially identical owners.
Private Officer License	Board of Police Commissioners	2000	Agency license fee - \$250

			Class A armed licenses - \$125 each
			Class A armed license renewal fee - \$70 each
			Class A unarmed license - \$70 each
			Class A unarmed license renewal fee - \$50 each
			Class B armed license - \$125 each
			Class B armed license renewal fee - \$70 each
			Class B unarmed license - \$70 each
			Class B unarmed license renewal fee - \$50 each
			Replacement lost/stolen license - \$50 each
			Dual license - \$50 each
			Change of company name - \$50 each
			License upgrade - \$50 each
			Rescheduling fee - \$50 each (test failure, fail to qualify or attend range)
			Weapon change - \$50 each
			License transfer - \$25 each
			Copy fee - \$5 each
Record check	Chief of Police	1996	Record check and record check coupon - \$5
Report Reproduction	Chief of Police	1996	Accident reports and report reproduction coupons \$5 each for initial report up to 20 pages
			Incident report with investigation/arrest up to 20 pages - \$10
			Incident report with investigation/arrest continuing 21 to 40 pages - \$15
			Form 9, Missouri uniform accident report - \$5
Seminars	Unknown	Unknown	Unknown
Training Academy	Chief of Police	1994 Tuition	\$2000 tuition; \$226 uniform and \$269 ammunition
Video Taped Line-up	Chief of Police	1996	\$25 each, \$30 if tape not supplied
Weekly Ticket Summary	Unknown	Unknown	\$100/week

Kansas City, Missouri Police Department Fees and Service Charges

Appendix B

Police Chief's Response

Kansas City, Missouri Police Department Fees and Service Charges

Police

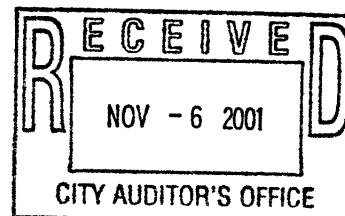
KC/MO

Headquarters Building
1125 Locust Street
Kansas City, Missouri 64106
(816) 234-5000

Richard D. Easley
Chief of Police

November 6, 2001

Mr. Mark Funkhouser, City Auditor
414 East 12th Street, 21st Floor
Kansas City, Mo. 64106



Mr. Funkhouser,

I have reviewed the draft report of Police Department Fees and service charges. I am providing the following responses to the recommendations.

1. *The Chief of Police should determine and report the cost of providing individual fee-based services on an annual basis.*

Agree: The Chief will determine cost information for individual fee-based services and report this information to the Board annually.

2. *The chief of police should propose for the Board of Police Commissioners consideration a fee policy that includes a process for setting and reviewing fees on a basis consistent with city policy.*

Agree: The department will develop a written policy addressing this issue, which will be presented to the Board Of Police Commissioners for their consideration. The policy will be consistent with city policy. Use of the city policy as a guideline requires substitution of the following terms:

- "Board of Police Commissioners" would be substituted for "City Council"
- "Chief of Police" would be substituted for "City Manager"
- "Department Legal Advisor" would be substituted for "City Attorney"

The policy will stipulate that fees governed by city ordinance will be submitted to the City Council for approval of any changes.

3. *The Chief of Police should propose for the Board Of Police Commissioners consideration new fees for services that meet the GFOA's criteria for fee-based service.*

Agree: Once the Board Of Police Commissioners approves a written policy, the department will evaluate services being provided to determine if they meet GFOA criteria and ascertain what, if any fees should be charged.

Richard D. Easley
Richard D. Easley
Chief of Police